MICROCHIP TECHNOLOGY INCORPORATED AND SUBSIDIARIES
CONDENSED CONSOLIDATED STATEMENTS OF INCOME
THREE MONTHS ENDED DECEMBER 31, 2019
(in millions except per share amounts)
(unaudited)

Net sales	$ 1,287.4									
	GAAP	Share-based compensation expense	Acquisition-related costs	IT security remediation	Amortization of acquired intangible assets	Special charges (income) and other, net	Non-cash other expense, net	Other non-GAAP tax adjustment	Non-GAAP	
Cost of sales	$ 501.9	(5.7)	—	—	—	—	—	—	$ 496.2	
Gross profit	785.5	5.7	—	—	—	—	—	—	791.2	
Gross profit percentage	61.0%								61.5%	
Research and development	217.1	(21.2)	—	—	—	—	—	—	195.9	
Selling, general and administrative	170.7	(16.6)	(10.2)	(0.7)	—	—	—	—	143.2	
Amortization of acquired intangible assets	248.7	—	—	—	(248.7)	—	—	—	—	
Special charges (income) and other, net	17.8	—	—	—	—	(17.8)	—	—	—	
Operating expenses	654.3	(37.8)	(10.2)	(0.7)	(248.7)	(17.8)	—	—	339.1	
Operating income	131.2	43.5	10.2	0.7	248.7	17.8	—	—	452.1	
Operating income percentage	10.2%								35.1%	
Other expense, net	(120.6)	—	—	—	—	—	31.1	—	(89.5)	
Income before income taxes	10.6	43.5	10.2	0.7	248.7	17.8	31.1	—	362.6	
Income tax (benefit) provision	(300.5)	—	—	—	—	—	—	322.3	21.8	
Net income	$ 311.1	43.5	10.2	0.7	248.7	17.8	31.1	(322.3)	$ 340.8	
Net income percentage	24.2%								26.5%	
Diluted net income per common share	$ 1.20								$ 1.32	
Diluted common shares outstanding	258.3								258.3	